mately two-thirds of the cotton spindles of China. Hupeh ranked next. In the North, notably in Shantung and Hopei (Chihli), cotton mills are to be found. Cheap labor has even developed the industry beyond the supply of local cotton, and the raw fibre has been imported, especially the long staple in which China is deficient.

While cotton mills outstrip all other forms of the industrialization of China by the new machine methods of the West, steam silk filatures have also been introduced, and for them, too, Shanghai has been the chief center. Some of the other industries in which modern Western appliances have entered are the milling of flour, the manufacture of matches, the smelting of iron, and the manufacture of steel. Among modern factories have been listed some for the preparation of albumen from eggs, canneries, bakeries for biscuits, cement works, chemical and dye works, breweries, distilleries, plants for bottling aerated waters, shipyards, electric light and power works (in rapidly increasing number), glass works, ice plants, leather factories, plants for expressing oil, rubber works manufacturing shoes, soles, overshoes, and hot water bags, paper mills, rice-hulling and cleaning mills, saw mills, soap and candle works, sugar refineries, and woollen and knitting mills. Few of the larger cities have been completely untouched by the new processes. The Japanese invasion in the 1930's and 1940's led, after 1937, to the transfer of factories to the West and to the development of new industries in that region. Industrial cooperatives, too, developed under war conditions. In Communist-controlled areas modern industries began to emerge but in small units and under very difficult conditions.

The traditional forms of industrial organization

have of necessity suffered from the entrance of the factory and from competition with products from the West. The guilds have by no means disappeared. In many places, however, they have been greatly weakened, and some have gone out of existence. The passing of the guild has been hastened by the advent of the labor union. In March, 1927, one hundred and eighty such unions were reported in the city of Canton, of which at least seventy grew out of guilds. Labor unions began to appear several years before the spectacular advance of the Kuomintang in 1926 and 1927. Indeed, over twelve hundred strikes were recorded between 1918 and 1926, of